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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Business Opportunity Fraud Act of Washington  
by:

Ray Mason, and  
Vend America, its agents and employees,  
  
Respondents.

SDO -14 - 00

SUMMARY ORDER TO CEASE AND DESIST

Case No. 99-11-0346

THE STATE OF WASHINGTON TO:     Ray Mason  
  Vend America

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, Ray Mason and Vend America, have violated the Business Opportunity Fraud Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

I.

Vend America is a Florida company with business addresses at 5252 South U.S. 1, Ft. Pierce, FL 34953, and 3175 S. Congress Ave., Suite 100, Palm Springs, FL 33461. Vend America, and their sales agent, Ray

Mason, also have a business address in Arizona at 8650 N. 35<sup>th</sup> Ave., Suite 101, Phoenix, AZ 85051. Vend

SUMMARY ORDER TO CEASE AND DESIST

1

DEPARTMENT OF FINANCIAL INSTITUTIONS

Securities Division

PO Box 9033

Olympia, WA 98507-9033

360-902-8760

VEND AMERICA

1 America sells plastic vending dispensers to purchasers, whom Vend America refers to in their promotional  
2 materials as “independent business owner operators.” These vending dispensers are equipped to store and  
3 display candy for sale to the public, and Vend America suggests that the dispensers be located on counter tops  
4 in business establishments. Vend America, through a professional locator, assists purchasers of the vending  
5 opportunity in locating establishments where the vending dispensers may be placed. The purchaser of the  
6 vending opportunity is then responsible for monitoring the candy dispensers.

7 II.

8 Ray Mason is a sales agent for Vend America.

9 III.

10 On November 11, 1999, a staff member with the Securities Division responded to an advertisement in the  
11 Spokesman Review’s classified section, dated October 31, 1999, which read as follows: “VENDING EZ  
12 \$500/\$600 WK P/T. 20 NEW UNITS PLACED. \$2990 INVESTS. 800-488-3837.” The staff member phoned  
13 the number listed in the advertisement, and spoke with Ray Mason, a sales agent of Vend America. During this  
14 discussion, Ray Mason indicated that his company, Vend America, would locate plastic candy dispensers in  
15 public places of business through the use of a professional locator. Mr. Mason indicated that a purchaser could  
16 order the candy dispensers through Vend America, and that the cost of placement for the dispensers would be  
17 included in the purchase price. The staff member asked for materials to review regarding this vending  
18 opportunity, and Mr. Mason indicated he would send such materials. The staff member subsequently received  
19 such material through the U.S. mail, which included a purchase order form for the candy dispensers. No  
20 disclosure document containing complete material information regarding Vend America, including but not  
21 limited to a financial statement of the seller, was provided along with these materials. A price list was included  
22 in these materials, and indicated that a vendor could purchase as few as 20 counter top vendors for a price of  
23

1 \$2,990. Also included in these materials was a “guarantee” made by Vend America that if a vendor spent 7-10  
2 hours per week on the vending business, he or she could earn \$50,000 a year.

3  
4 IV.

5 Vend America is not currently registered to sell its business opportunities in the state of Washington and  
6 has not previously been so registered.

7 V.

8 The Securities Administrator finds that the continued offering of vending equipment in the manner  
9 described above presents a threat to the investing public.

10 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

11 CONCLUSIONS OF LAW

12 I.

13 The offer and/or sale of the vending opportunity as described above constitutes the offer and/or sale of a  
14 business opportunity as defined in RCW 19.110.020(1).

15 II.

16 The offer and/or sale of said vending opportunity is in violation of RCW 19.110.050(1) because Vend  
17 America’s business opportunity is not and has not been registered with the Administrator of Securities, prior to  
18 the advertising, soliciting, or making of any offer and/or sale of the business opportunity in this state.

19 III.

20 The offer and/or sale of said business opportunity was made in violation of RCW 19.110.070 and RCW  
21 19.110.120, the disclosure document and antifraud provisions of the Business Opportunity Fraud Act,  
22 respectively, because Respondents failed to provide prospective purchasers a complete disclosure document  
23 containing complete material information regarding the vending opportunity, including but not limited to a  
24 financial statement of the seller.

IV.

The Securities Administrator finds that an emergency exists, that the continued violations of RCW 19.110.050(1), RCW 19.110.070 and RCW 19.110.120 constitute a threat to the investing public, and that a summary order to cease and desist from those violations are in the public interest and necessary for the protection of the investing public.

**SUMMARY ORDER**

Based on the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED That Vend America, and their agents and employees, each cease and desist from offering and/or selling business opportunities in any manner in violation of RCW 19.110.050 (1), the section of the Business Opportunity Fraud Act requiring registration.

It is further SUMMARILY ORDERED that respondents, Vend America, their agents, and employees each cease and desist from violation of RCW 19.110.170 and RCW 19.110.120, the disclosure document and antifraud provisions, respectively, of the Business Opportunity Fraud Act.

**AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 19.110.150, and is subject to the provisions of Chapter 34.05 RCW. The Respondents may each make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this order. A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033 to the attention of Chad Standifer.

If a respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist permanent as to that respondent.

**WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

SUMMARY ORDER TO CEASE AND DESIST  
VEND AMERICA

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

DATED this \_\_\_\_\_ day of February, 2000.

\_\_\_\_\_  
DEBORAH R. BORTNER  
Securities Administrator

Approved By:

Presented by:

\_\_\_\_\_  
Michael E. Stevenson  
Chief of Compliance

\_\_\_\_\_  
Chad Standifer  
Securities Examiner

SUMMARY ORDER TO CEASE AND DESIST  
VEND AMERICA

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**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
Securities Division  
PO Box 9033  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the Business  
Opportunity Fraud Act by:

Ray Mason, and  
Vend America, its agents and employees,

Respondents.

SDO -14B(1) – 00

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING

Case No. 99-11-0346

THE STATE OF WASHINGTON TO:           Ray Mason

YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a true and correct copy of which is attached and made part hereof, has been entered against you by the Washington State Department of Financial Institutions, Securities Division.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in advance.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING

1

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

VEND AMERICA

1 hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses  
2 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in  
3 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct  
4 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,  
5 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have  
6 an interpreter appointed at no cost to you, as discussed below.

7 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-  
8 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for  
9 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate  
10 in spoken language, including persons who are deaf, deaf and blind, or hard or hearing, AND YOU NEED AN  
11 INTEPRETER, then a qualified interpreter will be appointed at not cost to you or to the witness. You may request  
12 the appointment of a qualified interpreter by indicating your request on the attached Application for Adjudicative  
13 Hearing form.

14 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the  
15 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will  
16 constitute a waiver of your right to a hearing in accordance with Ch. 34.05 RCW, and the director will find that  
17 you do not contest the allegations of the Summary Order. Upon such a finding by the director, a final order will be  
18 immediately entered disposing of this matter and ordering you to cease and desist as described in the Summary  
19 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

20 Washington State Department of Financial Institutions  
21 Securities Division  
22 Attn: Chad Standifer  
23 P.O. Box 9033  
24 Olympia, WA 98507-9033

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DATED this \_\_\_\_\_ day of February, 2000.

\_\_\_\_\_  
DEBORAH R. BORTNER  
Securities Administrator

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING  
  
VEND AMERICA

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the Business  
Opportunity Fraud Act by:

Ray Mason, and  
Vend America, its agents and employees,

Respondents.

SDO – 14B(2) - 00

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING

Case No. 99-11-0346

THE STATE OF WASHINGTON TO: Vend America

YOU ARE HEREBY NOTIFIED that a SUMMARY ORDER TO CEASE AND DESIST (“the Order”), a true and correct copy of which is attached and made part hereof, has been entered against you by the Washington State Department of Financial Institutions, Securities Division.

YOU ARE HEREBY NOTIFIED that you may file an application for an adjudicative hearing before an administrative law judge as Presiding Officer, upon the allegations supporting and ground for the agency action as set forth in the Order. YOUR APPLICATION MUST BE RECEIVED BY THE SECURITIES DIVISION WITHIN TWENTY (20) DAYS FROM THE DATE THAT YOU RECEIVE THIS NOTICE. If you demand a hearing, you will be notified of the date, time, and hearing location will be mailed to you at least seven (7) days in advance.

At the hearing, you may appear personally, and by counsel, if you desire. The hearing will be recorded and will be conducted according to the Administrative Procedure Act, Ch. 34.05 RCW. The primary concern of the Administrative Law Judge, and, ultimately, the Director of the Department of Financial Institutions, will be to determine the truth of the matters asserted in the Order. Technical rules of evidence will not be binding at the

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING

VEND AMERICA

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 hearing except for the rules of privilege recognized by law. You have the right to present evidence and witnesses  
2 in your own behalf who will be subject to cross examination, to cross examine those witnesses presented in  
3 support of the Order, to examine such documentary evidence as may be produced against you, and to conduct  
4 discovery as is authorized in such proceedings. You may require the attendance of witnesses by subpoena,  
5 pursuant to RCW 34.05.446. If you are limited English-speaking or hearing impaired, you have the right to have  
6 an interpreter appointed at no cost to you, as discussed below.

7 INTERPRETER AVAILABILITY. If you or a witness for you is a person who, because of non-English-  
8 speaking cultural background, cannot readily speak or understand the English language, or if you or a witness for  
9 you is a person who, because of a hearing impairment or speech defect, cannot readily understand or communicate  
10 in spoken language, including persons who are deaf, deaf and blind, or hard or hearing, AND YOU NEED AN  
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13 Hearing form.

14 YOU ARE FURTHER NOTIFIED that if the Department of Financial Institutions does not RECEIVE the  
15 Application for Adjudicative Hearing form within twenty (20) days from the date you receive this notice, this will  
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19 Order. If you desire a hearing in this matter, please return the attached Application for Adjudicative Hearing to:

20 Washington State Department of Financial Institutions  
21 Securities Division  
22 Attn: Chad Standifer  
23 P.O. Box 9033  
24 Olympia, WA 98507-9033

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DATED this \_\_\_\_\_ day of February, 2000.

\_\_\_\_\_  
DEBORAH R. BORTNER  
Securities Administrator

NOTICE OF OPPORTUNITY TO DEFEND AND  
OPPORTUNITY FOR HEARING  
  
VEND AMERICA

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Business Opportunity Fraud Act by:

Ray Mason, and  
Vend America, its agents and employees,  
Respondents.

SDO - 14C(1) - 00

APPLICATION FOR ADJUDICATIVE HEARING

Case No. 99-01-0021

THE STATE OF WASHINGTON TO: Ray Mason

If you wish to contest the Summary Order to Cease and Desist and have an adjudicative hearing, you must sign, date, and return this form within twenty (20) days of the date you received it, to:

Washington State Department of Financial Institutions  
Securities Division  
Attn: Chad Standifer  
P.O. Box 9033  
Olympia, WA 98507-9033

FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN ADJUDICATIVE HEARING. In that case, the Director of the Department of Financial Institutions will immediately enter an appropriate order in disposition of the Summary Order.

APPLICATION FOR ADJUDICATIVE HEARING  
VEND AMERICA

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DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

2  
3 I.

- 4  I request a hearing in this matter.  
5  I do not request a hearing in this matter.

6 II.

7 I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

8 \_\_\_\_\_  
9 \_\_\_\_\_

10 III.

11 I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret  
12 for (myself) or (my witness(es)). My, or my witness's(es'), primary language is \_\_\_\_\_  
13 (identify language). My, or my witness's(es'), hearing impaired status is \_\_\_\_\_ (identify  
14 hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my  
15 witness(es).

16 IV.

17 You have the right: To demand an adjudicative hearing, to be represented by an attorney at your own  
18 expense; and to subpoena witnesses to the hearing or subpoena the production of books or documents, and to  
19 otherwise defend against the Summary Order.

20 WARNING: FAILURE TO COMPLETE AND MAIL THIS DOCUMENT SO THAT IT IS  
21 RECEIVED BY THE SECURITIES DIVISION WITHIN 20 DAYS AFTER YOUR RECEIPT OF THE  
22 SUMMARY ORDER WILL RESULT IN THE DISPOSITION OF THIS CASE AS AUTHORIZED BY RCW  
23 34.05.440.

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Dated this \_\_\_\_\_ day of February, 2000.

**\*\* Sign \*\***

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Address:

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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
Of the Business Opportunity Fraud Act by:

Ray Mason, and  
Vend America, its agents and employees,  
Respondents.

SDO - 14C(2) - 00

APPLICATION FOR ADJUDICATIVE HEARING

Case No. 99-01-0021

9 THE STATE OF WASHINGTON TO: Vend America

10  
11 If you wish to contest the Summary Order to Cease and Desist and have an adjudicative hearing, you must  
12 sign, date, and return this form within twenty (20) days of the date you received it, to:

13  
14 Washington State Department of Financial Institutions  
15 Securities Division  
16 Attn: Chad Standifer  
17 P.O. Box 9033  
18 Olympia, WA 98507-9033

19  
20 FAILURE TO RETURN THIS FORM SO THAT IT IS RECEIVED BY THE DEPARTMENT OF  
21 FINANCIAL INSTITUTIONS WITHIN TWENTY (20) DAYS OF THE DATE YOU RECEIVED IT WILL  
22 CONSTITUTE A DEFAULT AND WILL RESULT IN THE LOSS OF YOUR RIGHT TO AN  
23 ADJUDICATIVE HEARING. In that case, the Director of the Department of Financial Institutions will  
24 immediately enter an appropriate order in disposition of the Summary Order.

25 APPLICATION FOR ADJUDICATIVE HEARING  
26 VEND AMERICA

1

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

27

1 INSTRUCTIONS: Check the box beside your desired response. Mail this document as set forth above.

2  
3 I.

- 4  I request a hearing in this matter.  
5  I do not request a hearing in this matter.

6 II.

7 I [WILL] [WILL NOT] be represented by an attorney. His/her name, address, and telephone number are:

8 \_\_\_\_\_  
9 \_\_\_\_\_

10 III.

11 I [REQUEST] [DO NOT REQUEST] that a qualified interpreter be appointed at no cost to me to interpret  
12 for (myself) or (my witness(es)). My, or my witness's(es'), primary language is \_\_\_\_\_  
13 (identify language). My, or my witness's(es'), hearing impaired status is \_\_\_\_\_ (identify  
14 hearing impaired status). I understand that a qualified interpreter will be appointed at no cost to me or to my  
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Dated this \_\_\_\_\_ day of February, 2000.

**\*\* Sign \*\***

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Address:

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